

09/11/2017

Report to the Children, Families, Health and Human Services Interim Committee

Providence Health and Services Montana

St. Joseph Medical Center – Polson, MT

At St Joseph Medical Center in Polson (SJMC) about 20% of the services provided are covered by those with a commercial insurance. That is the really the only payer group on which there is a positive margin. In other words 80% of the services at SJMC are provided at cost or at less than cost.

Here are a few facts specific to Medicaid Services provided at SJMC:

- Estimates put Lake County's number of residents at or below the poverty level at 21-22%
- Twenty seven plus percent (27.59%) of the care provided at St Joseph Medical Center in Polson (PSJMC) in 2016 and 2017 is to patients covered by Medicaid.
- Payments from Medicaid represent 30-31 % of net patient revenues at PSJMC.
- A 3.47% reduction in Medicaid revenues that are subject to the reduction would result in approximately a \$200K annual payment reduction for PSJMC.

Providence Health & Services Montana, which in addition to SJMC includes St Patrick Hospital in Missoula as well as our employed providers, recorded unpaid costs of providing Medicaid services totaling \$14.3M in 2016. That number is \$8.6M through July for 2017. The 3.47% cut would grow that loss by about \$1.2M or roughly 8%.

We put a lot of resources into our **High Reliability Organization** (HRO) efforts striving to provide the highest quality and safest environment for patients and their caregivers.

In addition we do our work using **Value Stream Management** constantly striving to improve efficiencies, reduce costs and create a better experience for patients.

Our nursing staff at St Pats has received **Magnet Recognition**, the highest distinction a healthcare organization can receive for nursing excellence and quality patient care.

Each of these efforts along with the breadth of services we currently provide is threatened as reimbursement cuts continue.

Thank you for taking moment to consider what the impact of these cuts might mean.